AVENTURA

aventura energy inc.

annual report

2000

2000
annual
report

CORPORATE PROFILE

Aventura Energy Inc. is a Calgary, Alberta based internationally focused public energy company engaged in the exploration and production of oil and gas. Aventura's asset portfolio includes interests in an exploration block in Trinidad, two exploitation/exploration blocks in Argentina and a solid production base in Canada. Aventura is committed to an international growth strategy and continues to actively seek additional exploitation and exploration opportunities in its core countries of Argentina and Trinidad.

Aventura is listed on the Canadian Venture Exchange, trading under the symbol "AVR".

ANNUAL GENERAL MEETING

Shareholders are invited to attend Aventura's Annual Meeting on Wednesday June 6, 2001 at 10:00 am Calgary time, in the Plaza Room of the Metropolitan Centre.

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HIGHLIGHTS

	2000	1999	% Change
FINANCIAL ($000s unless otherwise stated)			
Petroleum and natural gas revenue	2,953	615	380
Cash flow from operations	2,003	(104)	-
Per share ($)	0.019	(0.014)	-
Net income	863	167	417
Per share ($)	0.008	0.023	(65)
Capital expenditures	5,202	458	1,036
Cash balance	4,699	5,112	(8)
Total assets	15,084	11,069	36
Shareholders' equity	14,192	10,812	31
Common shares outstanding (000s)			
Basic, end of period	125,308	7,224	1,635
Weighted average	107,089	7,224	1,382
Fully diluted, end of period	134,258	30,117	346
OPERATIONS			
Production (Average)			
Oil and NGLs (bbls/d)	134	53	153
Natural gas (mcf/d)	1,686	234	621
Total (boepd, 10:1)	303	76	299
Total (boepd, 6:1)	415	92	351
Reserves (Proven plus 50% Probable)			
Oil and NGLs (mbbls)	1,261	286	341
Natural gas (mmcf)	15,752	2,137	637
Total (mboe, 10:1)	2,836	500	467
Total (mboe, 6:1)	3,886	642	505

PRESIDENT'S MESSAGE TO SHAREHOLDERS

In the challenging environment of record breaking production acquisition prices and low valuation for oil and gas equity issues, Aventura made significant advances in pursuing its international growth strategy in Argentina and Trinidad during 2000.

On October 12, 2000, Aventura finalized the acquisition of 100 percent of Petrolera del Comahue, an Argentine operating company, and in doing so acquired a 90 percent working interest in two blocks located on the eastern edge of Argentina's most prolific basin - the Neuquen basin. These blocks contain proven and tested hydrocarbons and are extensively covered by recent, high-quality, 3D seismic. Exploratory successes in contiguous blocks have enhanced both the potential and desirability of these areas. Significantly, this acquisition results in Aventura becoming an international operator. With an Argentine presence, deal flow has increased and a number of initiatives are underway to substantially increase Aventura's Argentine holdings.

In Trinidad, 75 square kilometres of 3D seismic was acquired over the onshore Central Block in which Aventura holds a non-operated, 25 percent working interest in development opportunities. Subsequent processing and interpretation of this seismic confirmed and enhanced the previously defined prospects and drilling of two back-to-back high impact exploration wells on this property is expected to commence in early April 2001. Surrounding infrastructure ensures that any discoveries will be quickly monetized. Success on either of these wells will have a material impact on Aventura.

Through its established presence, Aventura is well positioned to participate in Trinidad opportunities as they arise. Aventura will continue to pursue a substantive offshore Trinidad field rehabilitation project that was sourced in 2000.

Through 2000, Aventura's Canadian properties (an overriding royalty on liquids-rich gas in Bottrel, Alberta and a combination of operated and non-operated oil properties in Weyburn, Saskatchewan), supported by consistent production and robust product prices, provided a very valuable cash stream. This cash flow underpins Aventura's G&A and prospecting initiatives and provides the basis for Aventura's bank facility. Longer term, as Aventura increases its international production, it plans to sell these properties and redirect the proceeds into its international activity.

Financially and Technically Strong

Aventura is in robust financial health. As at March 30, 2001, we have $4.5 million of cash and no debt. A $2 million private placement at $0.25 per share was completed mid year and an expanded borrowing facility of $2 million was negotiated in early 2001. Additionally, on April 11, 2001, Aventura announced it was contemplating raising $5.2 million through a private placement.

Two exceptional internationally experienced people joined our team in early 2001. Mr. Wim Korndorffer, the owner of Korndorffer Contracting International BV with offices in the Netherlands and Thailand, and a significant Aventura shareholder, became a director, and Mr. Blair Anderson, recently of Suncor's International group and with 17 years direct international geotechnical experience, joined as Manager of Geoscience.

Focused on an International Strategy

A key driver in Aventura's focus on the international hydrocarbon sector is its belief that significantly greater value will accrue to shareholders by minimizing finding and development costs through the pursuit of opportunities in less developed basins. The dramatic rise in Canadian property acquisition prices fuelled by sustained high product prices, intense competition and a mature opportunity base has, not surprisingly, resulted in the industry's domestic finding and development costs escalating significantly.

This rapid escalation in domestic finding and development costs validates Aventura's strategy and confirms the need to pursue, and the desirability of, the international arena. Aventura remains focussed and committed to an international strategy.

International Competitive Advantage

Aventura continues to be an excellent vehicle for exposure to the exciting international arena, differentiated from other internationally-focused junior oil companies by a combination of characteristics. These characteristics include:

- An internationally experienced management team and board of directors that are well equipped to evaluate, negotiate, acquire and operate projects in international environments;
- A powerful strategic alliance with Vermilion Resources Ltd. which own 36 percent (fully diluted) of Aventura. Vermilion is a Canadian, public, intermediate, oil and gas exploration and production company with a current market capitalization of $650 million. Vermilion exited 2000 at approximately 18,000 barrels equivalent per day and operates in both Canada and France. Aventura leverages off Vermilion's technical and financial strength to access international opportunities;
- A steady cash flow from its Canadian properties that covers all G&A and prospecting costs. This allows capital raised through new equity issues to be channelled 100 percent to acquisitions and/or capital programs on existing assets, and
- A carefully crafted set of country and project parameters that mitigate country, political, commercial and technical risk thereby enhancing the selection of the best possible opportunities and the realization of Aventura's international strategy.

While individually these characteristics are not unique, as a group they represent a significant competitive advantage for Aventura, and set it apart from its peer group.

Outlook

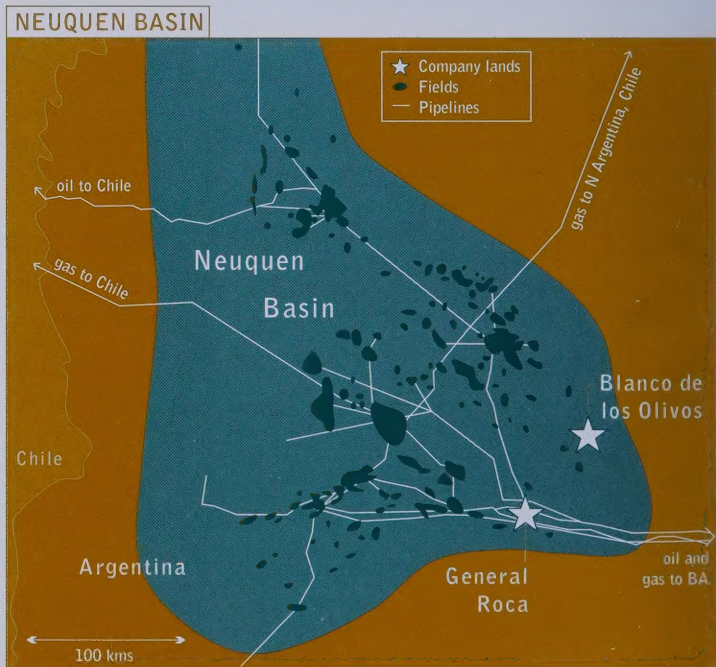
Aventura will continue to pursue exploration and exploitation opportunities, preferably with material upside, in its focus countries of Argentina and Trinidad. Through 2001 we will also continue to develop our existing asset portfolio. In Trinidad we will participate in two high impact wells in the Central Block and in Argentina we will look to drill a number of exploitation/exploration wells on the General Roca and Blanco de los Olivos blocks. In Argentina we also look forward to closing two pending land bids. Aventura will prudently utilize debt whenever appropriate and will raise incremental equity as required to develop exploratory successes or in support of production acquisitions.

Acknowledgements

Aventura is very fortunate to have top tier employees and directors. I would like to thank these individuals for their dedication and commitment to furthering our exciting international plan. I would also like to thank our shareholders for their continued patience and support - especially given the longer project time cycle inherent in international ventures.

J. Scott Price
President & Chief Executive Officer
April 16, 2001

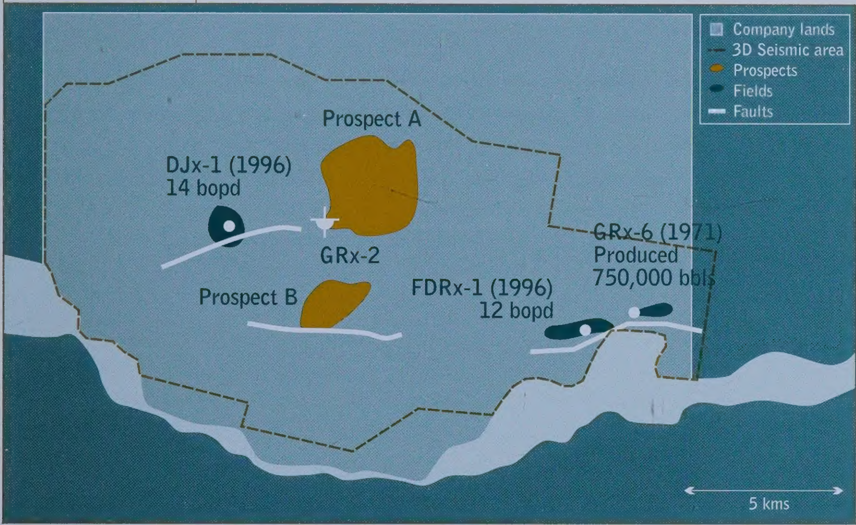
Argentina and Trinidad are the two international areas where Aventura made significant headway in 2000. Activity in terms of acquiring and interpreting seismic, selecting locations, concluding acquisitions and farm-in agreements and developing partner and country/government relationships furthered our progress towards realizing international production and revenue.



Aventura is committed to growing a substantial business in Argentina and is making progress on a number of initiatives. These initiatives include land acquisition (two pending Plan Argentina land bids are outstanding) and producing property interest acquisitions.

On October 12, 2000 Aventura acquired 100 percent of the shares of Petrolera del Comahue, an Argentine-registered, exploration and production company. Comahue operates and owns a 90 percent interest in two blocks, General Roca and Blanco de los Olivos, located on the eastern edge of the Neuquen basin, Argentina's most prolific basin. Aventura has a three-well drilling commitment to be accomplished over a three-year period on these blocks.

GENERAL ROCA



GENERAL ROCA

The General Roca block is 292 square kilometres (72,124 acres) in size, bordered by the Rio Negro River to the south and is roughly 40 kilometres east of the city of Neuquen. The block is substantially covered by 191 square kilometres of 3D seismic acquired in 1996.

Of the 17 wells drilled on the block, only two are currently on production, producing a total of 26 barrels of oil per day at year end 2000. Both are producing light oil (37° API) from the Punta Rosada formation at depths of 1,800 to 2,250 metres.

A number of interesting leads and prospects have been identified and Aventura is reprocessing the existing seismic to further assess the potential. Efforts are concentrated on the General Roca field where Aventura has identified a low risk appraisal location offsetting a well that produced 750,000 barrels of oil over a 19-year period. This well initially produced at rates of 740 barrels of oil per day and was still producing at 60 barrels of oil per day when it was suspended in 1991. Aventura plans to drill this offset location in the last half of 2001. A successful well will be immediately placed on production.

BLANCO DE LOS OLIVOS

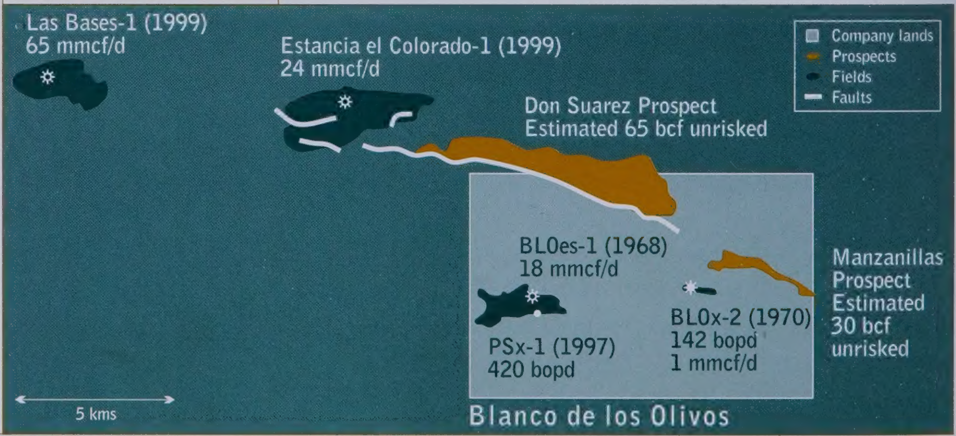
The Blanco de los Olivos block is 66.5 square kilometres (16,425 acres) in size, and is located approximately 100 kilometres northeast of the city of Neuquen. It is completely covered by 3D seismic which was acquired in 1996. Seven wells were drilled on the block prior to the 3D seismic program with two testing significant hydrocarbons. These were never exploited largely due to lack of infrastructure. In 1997 one additional well was drilled and tested 420 barrels of oil per day from the Lower Centenario Formation at 1,240 metres but was never produced due to mechanical problems.

Two significant 1999 gas discoveries in the adjacent Chevron-operated, CNQ-16 block immediately to the northwest of Olivos, have significantly enhanced the prospects of this block - both in terms of hydrocarbons and infrastructure. The Las Bases and Estancia el Colorado discoveries tested 65 million cubic feet per day and 24 million cubic feet per day, respectively, from multiple horizons. Aventura has identified a significant on-trend, undrilled structure, the Don Suarez prospect, that extends into Blanco de los Olivos and offers exciting exploration potential. Aventura is investigating the possibility of jointly exploring this opportunity with Chevron.

Chevron has received commerciality and permission to produce from the Government for its two discoveries and is constructing processing facilities and an export line. This new infrastructure significantly enhances the near-term possibility of monetizing Olivos' potentially large gas reserves. Discussions have been initiated with Chevron regarding the possibility of moving Olivos gas through its new facility.

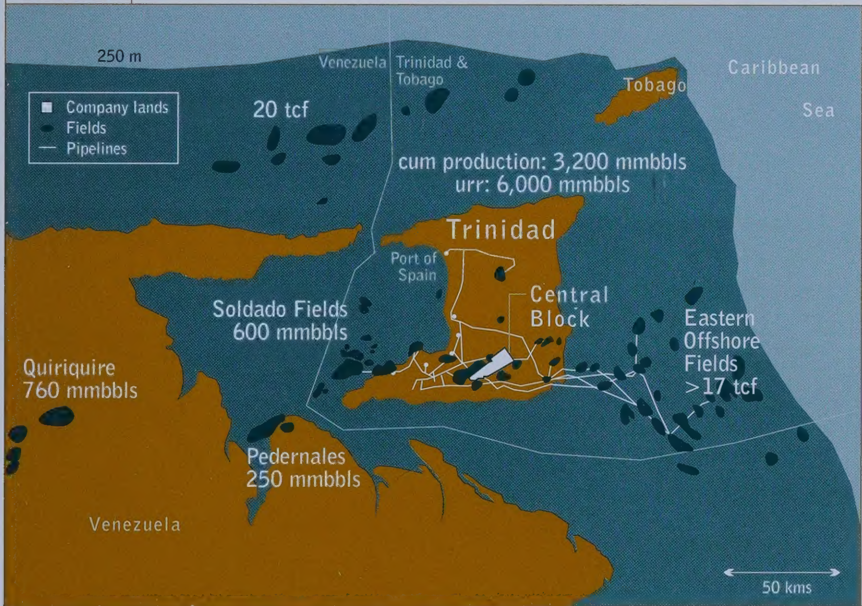
Aventura continues to high-grade the Olivos seismic data with a view to drilling one oil location offsetting the 420-barrel-of-oil-per-day-test and possibly one exploratory well into the Don Suarez prospect in the latter half of 2001.

BLANCO DE LOS OLIVOS



On February 4, 2000 Aventura finalized a joint venture arrangement with Cometra Energy (Trinidad) Limited on its farm-in on Petrotrin's onshore Central Block. Effective September 1, 2000 Cometra Energy was acquired by the Tulsa-based, international independent Vintage Petroleum who becomes the joint venture operator.

TRINIDAD



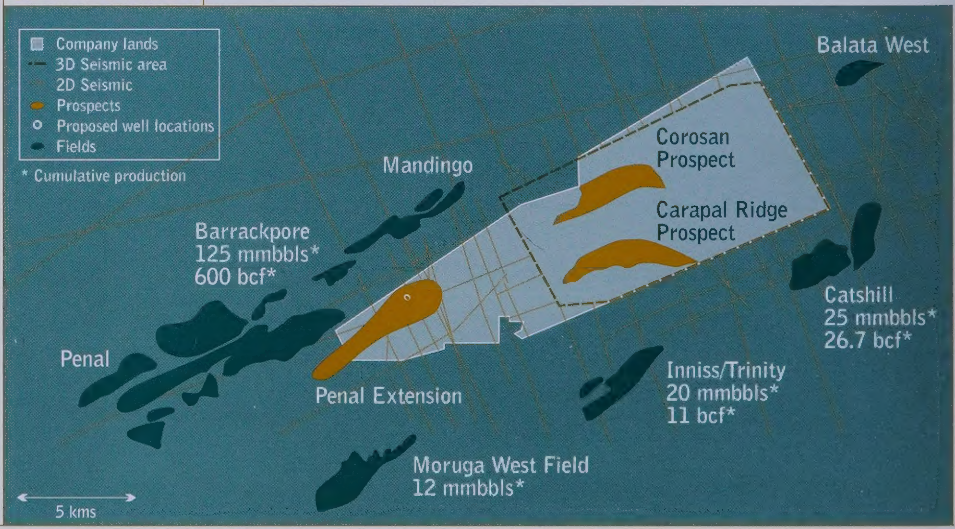
The Central Block is a highly prospective exploration block covering 111 square kilometres (27,426 acres) in the centre of the prolific onshore Trinidad Southern Basin. This block is surrounded by numerous developed fields that were discovered and developed between 1940 and 1960 on the basis of geological mapping of surface anticlines, often in conjunction with associated oil seeps. Total reserves recovered from these proximal fields, which surround and lie within approximately one to seven kilometres of the Central Block are in excess of 180 million barrels plus several hundred billion cubic feet of gas.

Under the terms of the Petrotrin farm-out, Cometra (now Vintage) is obligated to pay 100 percent of a minimum work program consisting of 15 kilometres of 2D seismic, 40 square kilometres of 3D seismic and three exploration wells (two to 2,590 metres and one to 2,285 metres) over a 42-month period to earn a 65 percent working interest in any field developments. Under the participation agreement, Aventura has agreed to cover 50 percent of the minimum work program costs to earn a 25 percent working interest in any developments. Additionally, Aventura will bear 38.5 percent of any exploration or appraisal costs incurred outside of the minimum work program that are not directly related to a specific field development.

During 2000, the seismic element of the minimum work program was satisfied with the acquisition of 75 square kilometres of 3D seismic covering the central and eastern end of the block. Processing and interpretation of this seismic was completed by year-end 2000 and two drilling locations selected. The first well is a 2,775 metre test of the Herrera Formation on the Carapal Ridge prospect and spudded April 8, 2001. The second well is a 2,440 metre Herrera Formation test on the Corosan prospect. This well will be drilled immediately following the first well. A geochemistry survey conducted in late 2000 indicates strong hydrocarbon signatures over both proposed locations. Success on either of these wells would materially impact Aventura. Existing infrastructure in the adjacent blocks would facilitate the rapid development of any discoveries. One additional work program well will be outstanding following the drilling of the Carapal Ridge and Corosan wells.

During the first half of 2000 Aventura devoted considerable time to the pursuit of a substantive field rehabilitation project that still has not been awarded. This project, along with at least two other Petrotrin joint venture projects that are expected to become available, will be a focus for Aventura in 2001.

CENTRAL BLOCK



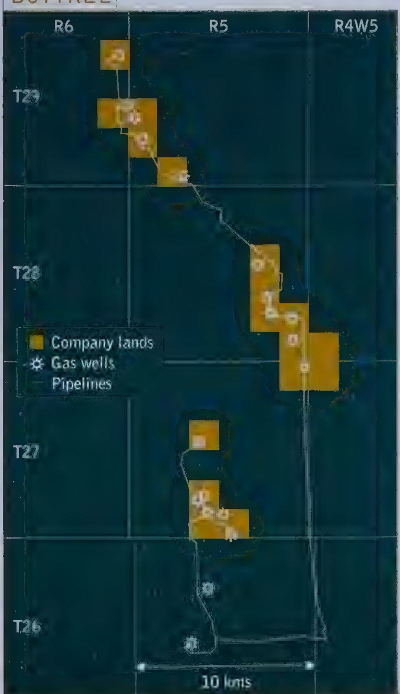
canada

Aventura's Canadian properties continue to provide valuable cash flow which is used to support the Company's G&A and international prospecting initiatives. Aventura does not anticipate spending significant capital on its Canadian properties, preferring to fund its international projects. In line with its international strategy, as international production increases, Aventura will look to dispose of Canadian properties with a view to redirecting the sale proceeds into the international arena.

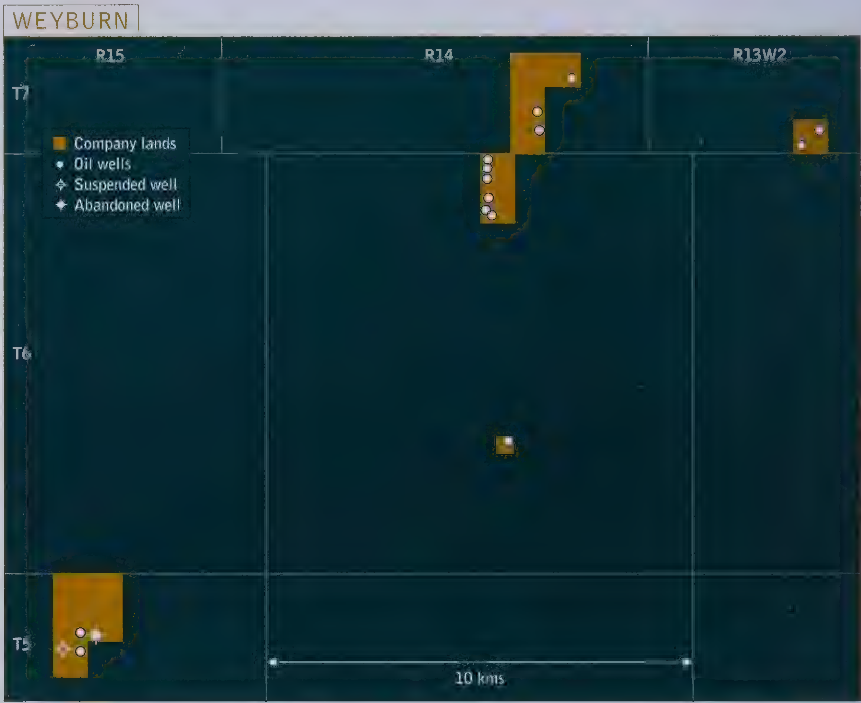
BOTTREL

Aventura has a 25 percent Gross Overriding Royalty (GOR) on Vermilion Resources' non-operated interests in the liquids-rich gas property. At year-end 2000, Vermilion held working interests between 16.5 percent and 33 percent in 17 Bottrel producing wells. The combination of field compression that was added in December 1999 and two gas wells drilled during 2000 resulted in relatively constant production throughout the year. Average production over the year, net to Aventura, was 1,666 thousand cubic feet of gas per day and 54 barrels of liquids per day.

BOTTREL



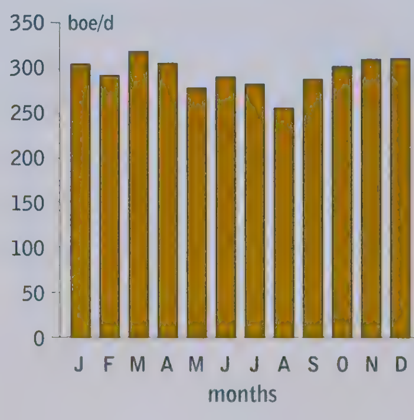
Under the terms of the GOR, Aventura pays for processing and transportation and a 2.5 percent marketing fee on its net volumes. However, to the extent Aventura's yearly net GOR revenue is less than $1.0 million, processing and transportation costs are adjusted downward until the net GOR revenue reaches $1.0 million or the costs go to zero. Net GOR revenue for 2000 was $1.8 million.



WEYBURN

Aventura holds interests in three oil properties (Tatagwa, Weyburn Old, Weyburn New) located in close proximity to each other in Saskatchewan. Aventura operates the Tatagwa and Weyburn Old fields. At year-end 2000, Aventura had working interests ranging from 27.6 percent to 68 percent in 14 producing oil wells, including three horizontal wells. Two of the horizontal wells were drilled in 1999 and completed in early 2000, while the third horizontal was drilled and completed in February 2000. Combined net production for the three fields remained relatively consistent throughout the year averaging 77 barrels of oil per day. This low decline is indicative of the long life nature of these fields.

2000
canadian
production



RESERVES

Aventura's proven reserves increased by 197 percent in 2000. A summary of Chapman Petroleum Engineering Ltd.'s year-end reports reflecting both the Company's Canadian and Argentine properties is provided in the following tables.

Total Canadian year-end proven reserves were estimated at 2.4 billion cubic feet inclusive of additions of 1.1 billion cubic feet (additions 77 percent greater than production). Proven Canadian crude oil and natural gas liquids reserves were 309,000 barrels inclusive of additions of 64,000 barrels (additions 33 percent greater than production). The increase in reserves reflects the two wells drilled at Bottrel and the three horizontal wells drilled in the Weyburn area of Saskatchewan.

With the Comahue acquisition in October 2000, the Company's proven reserves in Argentina totalled 905,000 barrels of oil equivalent consisting of 547,000 barrels of oil and 3.6 billion cubic feet of natural gas.

The Canadian properties were valued using a sales price forecast at January 1, 2001 for the year of 2001 of $ 40.68 per barrel of oil, and $5.50 per thousand cubic feet of natural gas and $30.05 per barrel of natural gas liquids. The Argentine properties were valued using a 2001 oil price of C$41.18 per barrel and a gas price for 2002, when sales are forecasted to begin, of C$1.93 per thousand cubic feet.

Reserve Reconciliation (Proven)

	Oil (mbbls)	NGL (mbbls)	Gas (mmcf)	Total (mboe,10:1)	Total (mboe,6:1)
Canada					
December 31,1999	201	92	1,967	490	621
Production	(28)	(20)	(617)	(110)	(151)
Additions	37	27	1,091	173	246
Acquisitions	-	-	-	-	-
Revisions	-	-	-	-	-
December 31,2000	210	99	2,441	553	716
Argentina					
December 31,1999	-	-	-	-	-
Production	(2)	-	-	(2)	(2)
Additions	-	-	-	-	-
Acquisitions	549	-	3,583	907	1,146
Revisions	-	-	-	-	-
December 31,2000	547		3,583	905	1,144
Combined					
December 31,1999	201	92	1,967	490	621
Production	(30)	(20)	(617)	(112)	(153)
Additions	37	27	1,091	173	246
Acquisitions	549	-	3,583	907	1,146
Revisions	-	-	-	-	-
December 31,2000	757	99	6,024	1,458	1,860

Summary of Reserves

As at December 31,2000	Oil (mbbls)	NGL (mbbls)	Gas (mmcf)	Total (mboe,10:1)	Total (mboe,6:1)
Canadian Assets					
Proven producing	210	99	2,441	553	716
Proven non-producing	-	-	-	-	-
Total proven	210	99	2,441	553	716
Probable	152	24	348	211	234
Total proven Plus 50% probable	286	111	2,615	659	833
Argentine Assets					
Proven producing	24	-	-	24	24
Proven non-producing	523	-	3,583	881	1,120
Total proven	547	-	3,583	905	1,144
Probable	634	-	19,108	2,545	3,819
Total proven Plus 50% probable	864	-	13,137	2,178	3,054
Combined Assets					
Proven producing	234	99	2,441	577	740
Proven non-producing	523	-	3,583	881	1,120
Total proven	757	99	6,024	1,458	1,860
Probable	786	24	19,456	2,756	4,053
Total proven Plus 50% probable	1,150	111	15,752	2,837	3,887

Escalated Pricing, net present value before income tax discounted at:

As at December 31,2000	0% ($000s)	10% ($000s)	15% ($000s)
Canadian Assets			
Proven producing	15,850	9,241	7,677
Proven non-producing	-	-	-
Total proven	15,850	9,241	7,677
Probable	5,021	2,328	1,874
Total proven Plus 50% probable	18,360	10,405	8,614
Argentine Assets			
Proven producing	154	136	129
Proven non-producing	8,535	4,320	3,179
Total Proven	8,689	4,456	3,308
Probable	32,872	17,140	13,209
Total proven Plus 50% probable	25,125	13,026	9,912
Combined Assets			
Proven producing	16,004	9,377	7,806
Proven non-producing	8,535	4,320	3,179
Total proven	24,539	13,697	10,985
Probable	37,893	19,468	15,083
Total proven Plus 50% probable	43,485	23,431	18,526

NET ASSET VALUE

The Company's net asset value at December 31, 2000 was estimated to be $32.8 million discounted at 10 percent and $27.9 million discounted at 15 percent. For purposes of this calculation, all values are on a pre tax basis and probable reserves have been discounted by 50 percent to account for risk. Land values for Trinidad and Argentina are conservatively calculated at cost and may not reflect the true market value of this prospective acreage.

Net Asset Value ($000s unless otherwise stated)

Discount rate	10%	15%
Proved reserves	$ 13,697	$ 10,985
50 % Probable reserves	9,734	7,542
Trinidad land, at cost	3,319	3,319
Argentina land, at cost	1,221	1,221
Working capital	4,783	4,783
Net asset value	32,754	27,850
Basic common shares (000s)	125,308	125,308
Net asset value ($/share)	$ 0.26	$ 0.22

MANAGEMENT'S DISCUSSION AND ANALYSIS

Aventura had a solid year in 2000, generating a base of cash flow to support its core initiatives in the international arena. Aventura realized stronger revenue and cash flow than anticipated, due to high commodity prices, and is well positioned entering 2001 to further develop its international prospects.

This discussion should be read in conjunction with the Consolidated Financial Statements and related notes that follow this section. Natural gas is reported in barrels of oil equivalent using a conversion rate of 10 thousand cubic feet to one barrel.

PRODUCTION

In 2000, the Company's average daily production increased to 303 barrels of oil equivalent, a 299 percent increase over the 1999 rate of 76 barrels of oil equivalent per day. Exit production rates for 2000 were 339 barrels of oil equivalent per day, consisting of 160 barrels per day of oil and liquids and 1,792 thousand cubic feet per day of gas which, for the first time, include domestic and international components.

Domestic

The production increase reflects the inclusion of the Bottrel royalty volume for the whole year at an average production rate of 220 barrels of oil equivalent per day compared to the 1999 average rate of 29 barrels of oil equivalent per day. The Bottrel production consisted of 1.7 million cubic feet per day of gas and 54 barrels per day of natural gas liquids. Working interest oil production averaged 78 barrels per day in 2000 compared to 48 barrels per day in the previous year. This increase was attributable to additional Weyburn production from two wells drilled in the fourth quarter of 1999 and one well drilled in the first quarter of 2000.

International

The production increase is also attributable to the 25 barrels of oil per day added through the acquisition of Petrolera del Comahue, effective October 2000.

REVENUE

Petroleum and natural gas revenue rose by 380 percent to $2,953,000 in 2000, due to production increases and higher commodity prices. Royalty interest gas prices averaged $2.88 per thousand cubic feet for 2000 compared to $2.78 in 1999. Oil and natural gas liquids prices in Canada averaged $39.01 and $30.60 per barrel, respectively, in 2000. This is a significant increase over the 1999 prices of $24.18 and $21.90 per barrel. Argentine oil production received a price of $39.72 per barrel.Total revenue in 2000 was $3,374,459, an increase of $2,787,020 or 474 percent over the $587,439 figure in 1999. A non-recurring gain of $370,000 from the sale of the Company's interest in Mora Oil Ventures Limited occurred in 2000. This investment had previously been written off.

ROYALTIES

Royalties in 2000 were $145,570 compared to $66,309 in 1999. Royalties as a percentage of sales, excluding the Bottrel royalty income, were 12.6 percent in 2000 compared to 16.1 percent in the prior year. The decreased percentage reflects lower royalty rates associated with the three horizontal Weyburn wells which were drilled in the fourth quarter of 1999 and first quarter 2000.

PRODUCTION EXPENSES AND NET OPERATING INCOME

Production expenses increased by 41 percent to $219,673 from $156,235 in 1999. On a per unit basis, operating costs decreased to $7.30 per barrel of oil equivalent in 2000 from $8.99 in 1999. This 19 percent reduction in expenses on a barrel equivalent basis in 2000 was the result of higher production volumes.

Net operating income for 2000 totaled $2,588,125 a 560 percent increase over the 1999 total of $392,261. The over five-fold increase is reflective of 12 months of Bottrel royalty income in 2000 versus only three months in 1999, as well as improved commodity prices.

Operating Revenue Analysis

	2000	1999	% change
Oil and gas sales	$ 1,149,931	$ 408,608	181
Royalty income	1,803,437	206,197	775
Royalties	(145,570)	(66,309)	120
Net revenue	2,807,798	548,496	412
Production expenses	219,673	156,235	41
Net operating income	$ 2,588,125	$ 392,261	560

General and Administrative Expenses

General and administrative costs in 2000 were $686,478 compared to $537,775 in 1999. As the majority of Aventura's activities were in the initial phase of the exploration cycle, $520,344 of overhead costs were capitalized during 2000. On a gross basis, overhead costs per barrel of oil equivalent decreased to $10.90 compared to $19.24 in 1999, again due to the increase in production volumes. The total administrative expense increase reflects additional staffing and associated costs due to the higher activity level of the organization in 2000.

Depletion and Depreciation

Depletion and depreciation expenses were $1,104,994 in 2000, representing a $897,144 increase from the $207,850 incurred in 1999. The additional depletion and depreciation allocation reflects the increased production volumes and a full year's exposure to depletion on royalty volumes which attract a higher depletion factor per production unit. The DD&A rate per barrel of oil equivalent in 2000 was $9.98 versus the 1999 value of $7.44.

Income Taxes

The Company's tax provision for 2000 consists of $120,000 in current taxes and $380,000 for a future tax provision. At year-end 2000 Aventura had Canadian tax pools of $5,170,000 however the majority of these pools were classified as COGPE which have a 10 percent declining balance deduction rate. This results in Aventura being cash taxable in 2000 for its Canadian activities. In 1999, the Company recorded a future tax recovery of $481,000 reflecting the tax assets that had not previously been recorded. With the intention to direct capital spending to the international arena, Aventura expects no new tax pool balances in the future resulting in a higher cash taxable position in 2001 and beyond for its domestic activities.

Cash Flow

Cash flow from operations rose to $2,003,485 or $0.019 per share in 2000, from a cash outflow of $(103,993) or $(0.014) per share in 1999. The improvement was directly attributable to the increase in oil sales and royalty income.

Net Earnings

The net earnings for 2000 were $863,314 or $0.008 per share compared to 1999 net earnings of $166,727 or $0.023 per share. The net income before taxes improvement for 2000 is the result of higher petroleum and natural gas revenues and a gain on sale of investment offset by higher depletion and depreciation, general and administrative costs and operating expenses. The net earnings for 2000 reflect an income tax provision of $500,000 compared to an income tax recovery of $481,000 in 1999.

Capital Expenditures

Capital expenditures for 2000 totaled approximately $5,440,000 with $3,320,00 of the capital invested in Trinidad on the Central Block seismic project and $1,220,000 spent on the Comahue asset acquisition. In 1999, capital expenditures of $4,211,000 were used to acquire the Bottrel royalty interest with another $522,000 used for Weyburn drilling activities.

Liquidity and Capital Resources

At December 31, 2000, Aventura had cash of $4,700,000, no debt and a bank credit facility of $2,000,000. One hundred percent of this facility is available for Canadian operations while only half of the facility is approved for international areas. The Company raised $2,252,000 in cash during 2000 by the issuance of 10.52 million common shares at an average price of $0.21 per share. Funds from existing operations exceed current G&A expenses and international prospecting costs allowing existing cash and any new capital to be entirely allocated to furthering the Company's capital programs.

Business Risks

In its daily operations, Aventura assumes risks which include production operations, uncertainty of reserve size, country/political instability, foreign exchange, availability of and access to markets, economic volatility and environmental issues.

Aventura manages these risks by:

- Employing highly trained and competent management and staff;
- Utilizing state of the art technology;
- Pursuing opportunities in politically stable and fiscally attractive countries with proven, prolific hydrocarbon basins;
- Maintaining strong strategic alliances with its major shareholder, Vermilion Resources, a public independent intermediate Canadian oil and gas company and with Avenir Capital, a venture capital firm and significant shareholder;
- Utilizing derivatives where appropriate to provide certainty of cash flow;
- Maintaining prudent levels of insurance, and
- Maintaining and surpassing compliance with all environmental legislation and working with governmental agencies to maintain this level of compliance.

MANAGEMENT'S REPORTS TO SHAREHOLDERS

The financial statements of Aventura Energy Inc. were prepared by management in accordance with accounting principles generally accepted in Canada. The financial and operating information presented in this annual report is consistent with that shown in the financial statements.

Management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and to facilitate the preparation of reliable and timely financial statements for reporting purposes. Timely disclosure requires the use of estimates when transactions affecting the current accounting period cannot be finalized or known for certain until future periods. Such estimates are based on judgements made by management using all relevant information known at the time.

External auditors, Deloitte & Touche LLP, appointed by the shareholders have conducted an independent examination of the corporate and accounting records in order to express their opinion on the financial statements. The Audit Committee of the Board of Directors, which consists of non-management directors, has reviewed the financial statements with management and the external auditors. The Board of Directors has approved the consolidated financial statements on the recommendation of the Audit Committee.

J. Scott Price
President & Chief Executive Officer

AUDITORS' REPORT TO SHAREHOLDERS

To the Shareholders of Aventura Energy Inc.:

We have audited the consolidated balance sheet of Aventura Energy Inc. as at December 31, 2000 and the consolidated statements of earnings and retained earnings and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 1999 and for the year then ended were reported on by another firm of auditors who expressed an unqualified report.

Deloitte & Touche LLP
Chartered Accountants

Calgary, Alberta
March 7, 2001

Years ended December 31	2000	1999
REVENUE		
Petroleum and natural gas revenues	$ 2,953,368	$ 614,805
Less royalties, net of ARTC	(145,570)	(66,309)
	2,807,798	548,496
Gain on sale of investment	369,823	-
Loss on disposal of capital assets	-	(2,578)
Interest and other income	196,838	41,521
	3,374,459	587,439
EXPENSES		
Production	219,673	156,235
General and administrative (Note 3)	686,478	537,775
Depletion and depreciation	1,104,994	207,850
	2,011,145	901,860
Earnings (loss) before income taxes	1,363,314	(314,421)
Provision for (recovery of) income taxes		
Current	120,000	-
Future (Note 6)	380,000	(481,148)
	500,000	(481,148)
NET EARNINGS	863,314	166,727
DEFICIT, BEGINNING OF YEAR	(171,925)	(4,743,885)
Deficit eliminated against share capital (Note 5 (d))	-	4,405,233
RETAINED EARNINGS (DEFICIT), END OF YEAR	$ 691,389	$ (171,925)
Earnings per share		
Basic	$ 0.008	$ 0.023
Fully diluted	$ 0.007	$ 0.008

See accompanying notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

December 31	2000	1999
ASSETS		
Current		
Cash and cash equivalents	$ 4,698,540	$ 5,111,556
Accounts receivable (Note 9)	608,750	459,182
Prepaid expenses	36,822	14,385
	5,344,112	5,585,123
Capital assets (Note 3)	9,739,444	4,874,358
Future income taxes (Note 6)	-	609,400
	$ 15,083,556	$ 11,068,881
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 561,247	$ 225,575
Provision for future site restoration	39,318	31,229
Future income taxes (Note 6)	290,600	-
	891,165	256,804
SHAREHOLDERS' EQUITY		
Share capital (Note 5(b))	13,501,002	536,754
Special warrants (Note 5(c))	-	10,447,248
Retained earnings (deficit)	691,389	(171,925)
	14,192,391	10,812,077
	$ 15,083,556	$ 11,068,881

Approved by the Board,

J. Scott Price
Director

Jeffrey S. Boyce
Director

See accompanying notes to the consolidated financial statements.

Years ended December 31	2000	1999
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATIONS		
Net earnings	$ 863,314	$ 166,727
Depletion and depreciation	1,104,994	207,850
Gain on sale of investment	(369,823)	-
Loss on disposal of capital assets	-	2,578
Write off of loan receivable	25,000	-
Future income taxes (recoveries)	380,000	(481,148)
Cash flow from operations	2,003,485	(103,993)
Changes in non-cash working capital	163,667	(289,397)
	2,167,152	(393,390)
FINANCING		
Issue of share capital and special warrants	2,252,000	6,110,000
Share capital and special warrants issuance costs	-	(287,432)
	2,252,000	5,822,568
INVESTING		
Net capital asset additions, net of closing adjustments	(4,451,049)	(457,996)
Acquisition of Petrolera del Comahue (Note 2)	(750,942)	-
Proceeds from sale of investment	369,823	-
	(4,832,168)	(457,996)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(413,016)	4,971,182
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,111,556	140,374
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,698,540	$ 5,111,556
Represented by		
Balances with banks	$ 166,319	$ 138,630
Bankers' acceptances	4,532,221	4,972,926
	$ 4,698,540	$ 5,111,556
Cash flow from operations per share		
Basic	$ 0.019	$ (0.014)
Fully diluted	$ 0.016	$ 0.000

See accompanying notes to the consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Aventura Energy Inc. (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies.

Company activities

The Company's business activities consist of exploration for and development of oil and gas properties.

On September 22, 1999, the Company amended its Articles and changed its name from Del Mar Energy Inc. to Aventura Energy Inc.

Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned.

Petroleum and natural gas operations

The Company uses the full-cost method of accounting for petroleum and natural gas operations and, accordingly, capitalizes all exploration and development costs on a country-by-country basis. These costs include land acquisition, geological and geophysical costs, drilling (including related overhead) on producing and non-producing properties and other carrying charges on unproven properties. Proceeds of disposition are applied against the cost pools with no gain or loss recognized except where the disposition results in a significant change in the rate of the depletion and depreciation.

Depletion and depreciation of these costs is done on a country-by-country basis and is calculated on the unit-of-production method based on estimated proven reserves, before royalties, as determined by independent engineers. For purposes of depletion and depreciation calculations, oil and gas reserves are converted to a common unit of measure on the basis of six thousand cubic feet of natural gas to one barrel of oil.

The costs of significant unproved properties are excluded from the depletion and depreciation base until it is determined whether proved reserves are attributable to the properties, or if impairment has occurred.

The carrying values of petroleum and natural gas properties is limited to the recoverable amount as determined by estimating the undiscounted future net revenues from proven properties based on current prices and costs and the value of unproven properties at the lower of cost and net realizable value less estimated future site restoration costs, general and administrative expenses, financing costs and income taxes.

Other equipment

Other equipment is depreciated using the declining-balance method at rates ranging from 20% to 100% per annum.

Future site restoration and abandonment costs

The Company estimates its future site restoration and abandonment costs for its oil and gas properties. The costs represent management's best estimate of the future site restoration and abandonment costs based upon current legislation and industry practices. Total estimated costs are being provided for on a unit-of-production basis. The annual provision is included in depletion expense and actual future site restoration and abandonment costs are charged to the account as incurred.

Joint interests

Substantially all of the exploration and production activities of the Company are conducted jointly with others and, accordingly, these consolidated financial statements reflect only the Company's proportionate interest in such activities.

Stock options

The Company has a stock option plan as described in Note 5(i). No compensation expense is recognized when stock options are issued to officers, directors, consultants and employees. Consideration paid by the officers, directors, consultants and employees on exercise of stock options is credited to share capital.

Income taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Temporary differences arising on acquisitions result in future income tax liabilities or assets.

Risk management

The Company purchases forward contracts to hedge its exposure to the risks associated with fluctuating oil prices. Gains and losses associated with risk management activities are recognized as adjustments to production revenue at the time the related production is sold.

Per share amounts

Per share amounts are calculated using the weighted average number of post-consolidation common shares outstanding during the year. Fully diluted earnings per share and cash flow per share reflect the exercise of options, special warrants and common share purchase warrants as if issued at the later of the date of grant or the beginning of the year.

Foreign currency translation

Foreign currency balances of foreign currency subsidiaries, which are considered to be integrated are translated based on the following basis:

- monetary assets and liabilities translated at the rates of exchange prevailing at the balance sheet date;
- non-monetary assets, liabilities and related depreciation and depletion expense are translated at historic rates;
- sales, other revenue, royalties and all other expenses are translated at the average rates of exchange during the month they are recognized.

Any resulting foreign exchange gains or loss are included in earnings.

2. ACQUISITION

Effective October 12, 2000, the Company acquired all the outstanding shares of Petrolera del Comahue S. A. ("Comahue"), a private Argentine petroleum company. The acquisition has been accounted for by the purchase method of accounting as follows:

Net assets acquired:	
Current assets	$ 108,867
Capital assets	1,506,337
Current liabilities	(104,262)
Future income taxes	(520,000)
	$ 990,942

Consideration paid:	
Cash	$ 750,942
Issue of 1,500,000 shares at a value of $0.16 per share	240,000
	$ 990,942

3. CAPITAL ASSETS

	Cost	Accumulated Depletion and Depreciation	Net Book Value
2000			
Petroleum and natural gas properties	$ 11,308,028	$ 1,804,129	$ 9,503,899
Lease and well equipment	348,074	235,177	112,897
Furniture and other equipment	201,850	79,202	122,648
	$ 11,857,952	$ 2,118,508	$ 9,739,444
1999			
Petroleum and natural gas properties	$ 5,389,995	$ 784,702	$ 4,605,293
Lease and well equipment	366,366	204,170	162,196
Furniture and other equipment	139,598	32,729	106,869
	$ 5,895,959	$ 1,021,601	$ 4,874,358

On October 20, 1999, the Company signed a Purchase and Sale Agreement for the purchase of royalty interests in Alberta for $4,371,400. In consideration, the Company issued 43,714,000 Special Warrants. After closing adjustments of $160,606, including $127,000 paid to a corporation whose president is also a director of the Company, the net cost to the Company was $4,210,794. The royalty interests were purchased from another corporation whose president is also a director of the Company.

As at December 31, 2000, costs of $4,534,621 (1999 - $Nil) for unproved properties have been excluded from the depletion and depreciation calculation. During the year, the Company capitalized $520,344 (1999 - $Nil) of overhead costs related to exploration and development activities.

The provision for future site restoration and abandonment costs is recorded in the consolidated statement of earnings as a component of depletion and depreciation and on the consolidated balance sheet as a long-term liability. Future site restoration and abandonment costs are estimated to be $102,734 (1999 - $61,198) of which, $8,089 (1999 - $5,528) has been charged to current earnings.

4. BANK CREDIT FACILITY

The Company has an un-drawn $2,000,000 revolving operating demand credit facility with a Canadian chartered bank, of which one hundred percent can be used for domestic activities and up to fifty percent can be used to finance international operations. The facility requires monthly interest payments, subject to the bank's right of demand and availability, and interest is charged at the bank's prime rate plus 1 1/4% per annum. The facility is secured by a general assignment of book debts, a $5,000,000 debenture with a floating charge over all assets and a fixed charge on certain properties, an assignment of insurance and an assignment of revenue from certain properties.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common voting shares
Unlimited number of preferred shares in series

(b) Issued

Common shares

	2000		1999	
	Number of Shares	Amount	Number of Shares	Amount
Opening Balance	7,223,920	$ 661,754	21,671,760	$ 5,067,015
Conversion of special warrants into common shares	106,064,000	10,447,248	-	-
Issued for cash	10,500,000	2,250,000	-	-
Issued on acquisition of Comahue (Note 2)	1,500,000	240,000	-	-
Issued on exercise of stock options	20,000	2,000	-	-
Elimination of deficit against share capital (Note 5(d))	-	-	-	(4,405,233)
Share consolidation, three-for-one (Note 5(e))	-	-	(14,447,840)	-
Share issuance costs, net of tax benefit of $22	-	-	-	(28)
	125,307,920	$ 13,601,002	7,223,920	$ 661,754
Less loan receivable for purchase of shares (Note 5(f))	-	100,000	-	125,000
Ending Balance	125,307,920	$ 13,501,002	7,223,920	$ 536,754

(c) Special warrants

	Number of Warrants	Amount
Balance, December 31, 1998	-	$ -
Issued for cash	62,350,000	6,235,000
Issued for royalty interests	43,714,000	4,371,400
Cost of issuance, net of tax benefit of$128,230	-	(159,152)
Balance, December 31, 1999	106,064,000	$ 10,447,248
Conversion of special warrants into common shares	(106,064,000)	(10,447,248)
Balance, December 31, 2000	-	$ -

On October 18, 1999, the Company issued 62,350,000 special warrants at a price of $0.10 per special warrant, pursuant to a special warrants indenture dated as of October 18, 1999.

The net proceeds to the Company were $5,947,617 after deducting expenses of the issue of $287,382. $127,000 of the issue costs were paid to a corporation whose president is also a director of the Company. Of the special warrants, 18,570,000 were sold to directors and officers, or corporations over which directors and officers exert significant influence, and were sold at the same terms as those to arms length parties.

The Company issued 43,714,000 special warrants in consideration of the royalty interests (Note 3). These special warrants have the same terms and conditions as those of the private placement.

In February, 2000, 106,064,000 common shares were issued on the exercise of 106,064,000 special warrants.

(d) On June 16, 1999, at the Company's Annual and Special Meeting of Shareholders, the shareholders approved the reduction of the stated capital of the Company by the amount of the deficit (before restatement) as at December 31, 1998 of $4,405,233, in accordance with subsection 36(1) of the Business Corporation's Act (Alberta).

(e) On September 21, 1999, at a Special Meeting of Shareholders, the shareholders authorized the Company to consolidate its issued and outstanding common shares on a three-for-one basis, pursuant to subsection 167(1)(f) of the Business Corporation's Act (Alberta), which consolidation was effected on September 22, 1999.

(f) Loans were provided from the Company to officers in the aggregate amount of $125,000 pursuant to Loan Agreements dated October 18, 1999 for the acquisition of special warrants (Note 5(c)). The loans bear interest at 7.25% per annum, are due October 18, 2001 and are secured by a pledge of the special warrants (and the common shares into which such special warrants are convertible) acquired with the loan proceeds. During 2000, a loan to an ex-officer for $25,000 was written off by the Company. No interest was charged to the officers for the period October 18, 1999 to December 31, 2000. These loans have been shown as a reduction in share capital.

(g) On October 20, 1999, the Company issued 2,000,000 common share purchase warrants, each warrant entitling the holder thereof to acquire one common share at a price of $0.10 per share for a period of two years from the date of issuance. 1,000,000 of the warrants were issued to a corporation whose president is also a director of the Company. The remaining 1,000,000 warrants were issued to the Company from which the royalty interests were purchased and whose president is also a director of the Company.

(h) As at December 31, 1999 and 2000, 650,000 common shares are held in escrow pursuant to the terms of a corporate acquisition related to a prior year.

An application has been made by the Company to have the 650,000 common shares cancelled as the terms of their release from escrow have not been met.

(i) The Company has a stock option plan under which officers, directors, consultants and employees are eligible to receive stock options. On December 31, 2000, 10% of issued common shares, 12,530,792 were available for issuance under the plan. Options granted under the plan have a term of five years and vest one-third on issue and the remaining two-thirds on the first and second anniversary date of the initial grant. The exercise price of each option equals the market price of the Company's common shares on the date of grant. On December 31, 2000, 6,950,000 options were outstanding under the plan at an exercise price of $0.10 per share until expiry on February 16, 2005.

A summary of the Company's stock option plan as of December 31, 2000 and changes during the year ending are as follows:

	2000		1999	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	4,985,000	$ 0.10	1,850,000	$ 0.28
Cancelled	(15,000)	0.10	(1,850,000)	(0.28)
Granted	2,000,000	0.10	4,985,000	0.10
Exercised	(20,000)	0.10	-	-
Outstanding, end of year	6,950,000	$ 0.10	4,985,000	$ 0.10
Exercisable, end of year	3,966,667	$ 0.10	-	$ 0.10

The weighted average remaining life of the options outstanding and exercisable at December 31, 2000 is 3.9 years.

6. INCOME TAXES

Income tax expense differs from that which would be expected from applying the effective Canadian federal and provincial income tax rates of 44.62% to the loss before future income taxes as on the following page:

	2000	1999
Expected tax (recovery)	$ 608,311	$ (140,295)
Increase (decrease) resulting from:		
Non-deductible crown payments, net of Alberta Royalty Tax Credits	61,173	29,846
Resource allowance	33,084	31,520
Future income taxes benefit not recognized (recoveries)	(33,073)	(402,546)
Foreign tax rate difference	(2,515)	327
Gain on sale of asset	(165,015)	-
Other	(1,965)	-
Provision for income taxes	$ 500,000	$ (481,148)

The components of the future income tax asset (liability) at December 31, 2000 and 1999 are as follows:

	2000	1999
Temporary differences related to assets and liabilities	$ (406,122)	$ 258,592
Future site restoration	17,544	13,934
Finance expense charged to shareholders' equity	97,978	143,943
Tax loss carryforward	-	192,931
	$ (290,600)	$ 609,400

7. **COMMITMENTS**

The Company is committed under leases on their office premises for future minimum rental payments excluding operating costs as follows:

2001	$ 61,794
2002	53,640
2003	44,700
	$ 160,134

The Company, under the terms of the farm out agreement dated August 20, 1999 has a commitment to fund its share of three exploration wells by February, 2003.

Under the terms of the purchase and sale agreement with Petrolera del Comahue, the Company is required to drill three wells by July 1, 2003 or the vendor will have the option to farm in on the concessions.

8. **RELATED PARTY TRANSACTIONS**

During the year, the Company paid $Nil (1999 - $114,329) in consulting fees to an officer, corporations which are controlled by directors and officers of the Company and former directors and officers of the Company. Also during the year, $90,000 (1999 - $127,000) was paid for consulting services provided by a corporation whose president is a director of the Company.

At December 31, 2000, accounts receivable includes $349,524 (1999 - $170,388) from a corporation whose President is also a director of the Company.

These transactions were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Management is of the opinion that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

9. FINANCIAL INSTRUMENTS

(a) Risk management

The nature of the Company's operation results in exposure to fluctuations in commodity prices and exchange rates. The Company monitors and, when appropriate, utilizes derivative financial instruments to hedge its exposure to these risks. The Company is exposed to credit-related losses in the event of non-performance by counter-parties to the financial instruments. The Company only deals with major institutions and does not anticipate non-performance by counter-parties. In 2000, as the result of the oil hedge contracts, petroleum and natural gas revenues included losses totalling $64,329.

On January 28, 2000, the Company entered into a six month forward contract for the sale of 50 barrels of oil per day at a fixed price of Cdn $35.85 per barrel. The term of the contract is from February 1, 2000 to July 31, 2000.

On September 19, 2000, the Company entered into a six month forward contract for the sale of 40 barrels of oil per day at a fixed price of Cdn $48.50 per barrel. The term of the contract is from October 1, 2000 to March 31, 2001.

(b) Fair values

The fair values of all financial instruments approximate their carrying values.

10. SEGMENTED INFORMATION

The Company has operations in Canada, Argentina and Trinidad for 2000. The Company's entire operating activities are related to exploration, development and production of petroleum and natural gas.

	2000	1999
Petroleum and natural gas revenue		
Canada	$ 2,890,604	$ 614,805
Argentina	62,764	-
Trinidad	-	-
	$ 2,953,368	$ 614,805
Net earnings (loss)		
Canada	$ 890,131	$ 166,727
Argentina	(26,817)	-
Trinidad	-	-
	$ 863,314	$ 166,727
Cash flows (outflows) from operations		
Canada	$ 2,024,700	$ (103,993)
Argentina	(21,215)	-
Trinidad	-	-
	$ 2,003,485	$ (103,993)
Capital asset additions		
Canada	$ 901,992	$ 457,996
Argentina	229,572	-
Trinidad	3,319,485	-
	$ 4,451,049	$ 457,996
Total identifiable assets		
Canada	$ 9,936,255	$ 11,068,881
Argentina	1,827,816	-
Trinidad	3,319,485	-
	$ 15,083,556	$ 11,068,881

CORPORATE INFORMATION

DIRECTORS

Jeff Boyce
President, Vermilion Resources Ltd.
Calgary, Alberta

John Brussa
Partner, Burnet, Duckworth & Palmer
Calgary, Alberta

Rick Grafton
President, Avenir Capital Corporation
Calgary, Alberta

Wim Korndorffer
General Manager, KCI BV
Schiedam, Holland

Brian Larsen
Calgary, Alberta

Scott Price
President & Chief Executive Officer, Aventura Energy Inc.
Calgary, Alberta

MANAGEMENT

Scott Price, P.Eng., MBA
President & Chief Executive Officer

Barry Larson
Vice President, Operations & Production

David Taylor, B.Sc., M.Sc.
Vice President, Exploration

Blair Anderson, B.Sc.
Manager, Géoscience

Jeff Lawson, LLB
Corporate Secretary

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Calgary, Alberta

BANKERS

National Bank of Canada
Calgary, Alberta

LEGAL COUNSEL

Burnet, Duckworth & Palmer
Calgary, Alberta

EVALUATION ENGINEERS

Chapman Petroleum Engineering Ltd.
Calgary, Alberta

TRANSFER AGENT AND REGISTRAR

Valiant Corporate Trust Company
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STOCK EXCHANGE LISTING

Canadian Venture Exchange
Trading Symbol: "AVR"

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SELECTED QUARTERLY INFORMATION

	2000				1999			
($000s unless otherwise stated)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross revenue	687	994	807	886	52	76	92	367
Cash flow from operations	482	447	570	504	(4)	10	(166)	56
Cash flow per share ($)	0.007	0.003	0.005	0.004	0.000	0.000	(0.022)	0.008
Net earnings (loss)	94	392	192	185	(22)	(8)	(180)	377
Earnings per share ($)	0.001	0.004	0.002	0.001	0.000	0.000	(0.029)	0.052
Total assets	11,304	11,728	14,119	15,084	614	565	733	11,069
Outstanding basic common shares (000s)	113,288	113,288	123,791	125,308	21,672	21,672	7,224	7,224

Printed in Canada by Quebecor World - Calgary · Designed by Sandy Seibert

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